

COPY



OFFICE OF HOMELAND SECURITY

July 7, 2008

Eric Palmer, Undersheriff
Trinity County, Sheriff's Office
P.O. Box 1228
Weaverville, Ca. 96093-1228

Monitoring Report #M08-024

Dear Undersheriff Palmer:

On May 13, 2008, the Office of Homeland Security (OHS), Monitoring and Audits Unit, Program Monitor, Jennifer Kolbe, conducted a desk monitoring review for the purpose of monitoring the Trinity County, Sheriff's Office OHS Grant Programs. I wish to thank you and your staff for the courtesy extended to Ms. Kolbe during the review process. Enclosed, you will find the monitoring report for the following grants:

GRANT	PROGRAM NAME	PERIOD MONITORED
2002-0088-027-00000	FY State Domestic Preparedness Equipment Program	07/01/02 to 06/25/07
2002-0133-027-00000	FY State Domestic Preparedness Equipment Program	08/01/02 to 06/25/07
2003-0167-027-00000	FY State Homeland Security Grant Program (SHSGP)	04/01/03 to 06/25/07
2003-0035-027-00000	FY Part II State Homeland Security Grant Program (SHSGP)	05/01/03 to 06/25/07
2004-0045-027-00000	FY Homeland Security Grant Program (HSGP)	12/01/03 to 06/25/07

The monitoring included a review of staffing needs, operational practices, source documentation, activities, and data reporting requirements. In addition, the monitor examined the grant for compliance with federal financial, administrative and auditing requirements, program guidelines, and other mandates as applicable. Finally, the monitor performed a selected review of accounting records that support the amounts claimed in your reimbursement requests. Project expenditures were validated to provide reasonable assurance that expenses are related to the grant, proper records are maintained, and expenditures are properly authorized and recorded.

As a reminder, the purpose of monitoring is to assist projects in the achievement of their goals and aiding them in administering their grant funds in the most effective and efficient manner. The monitoring is used as a tool to assist the subgrantee in complying with these requirements. Your OHS Program Representative will receive a copy of the monitoring report. Their name and phone number are identified on the face sheet of the report.

If the monitoring report does not identify any findings, a Corrective Action Plan is not necessary and the monitoring process is complete. **If any findings are identified in the monitoring report, you will have 120 days from the last day of the monitoring review to submit a Correction Action Plan to the Program Monitor.**

The corrective action process provides two options:

Option One – The subgrantee self certifies by the submission of an Action Plan that details the corrective steps implemented, and that any finding(s) noted in the monitoring report are resolved.

Option Two – Submission of an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff (i.e. technical assistance).

When corresponding to our office regarding this monitoring report, please include the monitoring control number on all correspondence. Send your response to:

Governor's Office of Homeland Security
Grants Administrative Section
Monitoring & Audits Unit
State Capitol
Sacramento, California 95814

Thank you for your participation in the monitoring process. If you have any questions regarding this letter or the attached report, please feel free to contact me at (916) 323-9153.

Sincerely,



Brendan Murphy
Deputy Director
Grants Monitoring & Audits Unit

Attachment

cc: Rachel Magana, Program Representative
Monitoring & Audits Unit, chron file
Grants Management Unit, grant file

Monitoring Report Response Form

TO: Governor's Office of Homeland Security	Grant Numbers: 2002-0088 2002-0133 2003-0167 2003-0035 2004-0045
Grants Management Section Monitoring & Audits Unit State Capitol Sacramento, CA 95814	Monitoring Control Number: #M08-024
Attention: Brendan Murphy, Deputy Director	Response Due: September 12, 2008

FROM: Subgrantee: _____

Option One

☐

I have reviewed the above referenced monitoring report and have submitted for your records a copy of the subgrantee's Action Plan detailing the corrective steps that have been implemented, and self certify that the findings noted in the monitoring report have been corrected.

Option Two

☐

I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.

Authorized Signature

Title

Date

Typed Name

Title

Telephone Number



CALIFORNIA GOVERNOR'S OFFICE OF HOMELAND SECURITY MONITORING NARRATIVE REPORT

GRANT/FIPS NUMBER	PROGRAM NAME	PERIOD MONITORED	AWARD AMOUNT
2002-0088-027-00000	FY01 State Domestic Preparedness Equipment Program	07/01/02 to 06/25/07	\$83,947
2002-0133-027-00000	FY02 State Domestic Preparedness Equipment Program	08/01/02 to 06/25/07	\$127,708
2003-0167-027-00000	FY03 State Homeland Security Grant Program (SHSGP)	04/01/03 to 06/25/07	\$13,957
2003-0035-027-00000	FY03 Part II State Homeland Security Grant Program (SHSGP)	05/01/03 to 06/25/07	\$80,029
2004-0045-027-00000	FY04 Homeland Security Grant Program (HSGP)	12/01/03 to 06/25/07	\$228,312

Trinity County Sheriff's Office Trinity Operational Area			
AUTHORIZED AGENT:	Eric Palmer	ADDRESS:	P.O. Box 1228 Weaverville, Ca. 96093-1228
CONTACT EMAIL:	epalmer@trinitycounty.org		
CONTACT PHONE NUMBER:	(530) 623-8107		
ALTERNATE POINT of CONTACT:	Shirley Phillips		
CONTACT EMAIL:	sPhillips@trinitycounty.org		
PROGRAM REPRESENTATIVE:	Rachel Magana	E-mail:	rachel.magana@ohs.ca.gov
PHONE NUMBER:	916-324-9314		
PROGRAM MONITOR:	Jennifer Kolbe and James Lewis	E-mail:	jennifer.kolbe@ohs.ca.gov
PHONE NUMBER:	916-324-6118	DATE OF MONITORING:	05-13-08 thru 05-15-08

PERSONS INTERVIEWED DURING MONITORING VISIT

NAME	TITLE	AGENCY
Eric Palmer	Undersheriff	Trinity County Sheriff's Office
David Laffranchini	Retired Undersheriff	Trinity County Sheriff's Office
Shirley Phillips	Accountant	Trinity County Sheriff's Office
Bill Britton	Batallion Chief	California Department of Fire
Kathy Ratliff	General Manager	Trinity County Life Support

Prepared by:

Jennifer Kolbe, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

7/7/08
Date

Approved by:

Brendan Murphy, Deputy Director, OHS Administration Division

7/9/08
Date

County of Trinity

Sheriff's Office

Monitoring Report

Monitoring Report Summary	Total # of Items in Category	In Compliance	Not in Compliance	Not Monitored	Not Applicable	Total
A. Administrative Review						
Review of Audit Reports	2	2				2
Grant Assurances	1	1				1
Grant Approval Notification	2	2				2
Performance Reports	1	1				1
Homeland Security Strategies	1		1			1
Publication of Published Materials	1				1	1
B. Programmatic Review						
Program Goals and Objectives	2	2				2
Exercise	2	2				2
Training	1				1	1
Planning	1	1				1
C. Financial Management						
Accounting System	8	5	3			8
Distribution of Funds	1	1				1
Advance of Funds	2		2			2
Change Requests/Modifications	2	2				2
Maintenance of Records	1				1	1
D. Fiscal: Personnel Services						
Management and Administrative Services	3				3	3
Overtime/Back Fill	3				3	3
E. Fiscal: Procurement						
Responsibility	1		1			1
Methods of Procurement	4	1	2		1	4
F. Fiscal: Equipment & Property Management						
Equipment Purchases	3	2			1	3
Property Management & Records Keeping	2		1		1	2
G. Subgrantee Monitoring & Oversight						
Subrecipient single audit requirements	1				1	1
Management and Administrative Responsibility	1				1	1
Overtime/Backfill/CTO Responsibility	1				1	1
Procurement Responsibility	1				1	1
Equipment & Property Management Responsibility	1				1	1
Total	49	22	10	0	17	49

**County of Trinity
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PROGRAM SUMMARY

A. Corrective Action Plan: Required.

MONITORING REPORT DETAIL

A. Administrative Review: Subgrantee in compliance (4 items); Not applicable for Subgrantee (3 items). Subgrantee not in compliance (1 item).

1. **Review of Audit Report:** Subgrantee in compliance (1 item); Not applicable for Subgrantee (1 item).
 - a. Audit reports submitted as required: Subgrantee in compliance (1 item).
 - b. Findings noted and corrective action plan addressed: Not applicable for Subgrantee (1 item).
2. **Grant Assurances:** Subgrantee in compliance (1 item).
3. **Grant Approval Notification:** Subgrantee in compliance (1 item); Not applicable for Subgrantee (1 item).
 - a. Maintain required records: Subgrantee in compliance (1 item).
 - b. Conditions Rectified: Not applicable for Subgrantee (1 item).
4. **Performance Reports:** Subgrantee in compliance (1 item).
5. **Homeland Security Strategies:** Subgrantee not in compliance (1 item).

Requirement: Subgrantee must maintain a copy of the most recent version of the National Strategy for Homeland Security and the California Homeland Security Strategy.

Finding #1: At the time of the monitoring review, the subgrantee was unable to show documentation of the National Strategy for Homeland Security and the California Homeland Security Strategy.

Action Required: Subgrantee must self certify that a copy of the National Strategy for Homeland Security and the California Homeland Security Strategy is maintained.

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6. **Publication of Materials:** Not applicable for Subgrantee (1 item).

B. Programmatic Review: Subgrantee in compliance (5 items); Not applicable for Subgrantee (1 item).

1. **Program Goals & Objectives:** Subgrantee in compliance (2 items).

2. **Exercise:** Subgrantee in compliance (2 items).

a. Exercise Activities/costs allowable and applicable: Subgrantee in compliance (1 item).

b. After Action Reports submitted: Subgrantee in compliance (1 item).

3. **Training:** Not applicable for Subgrantee (1 item).

4. **Planning:** Subgrantee in compliance (1 item).

a. Planning activities/costs allowable and applicable: Subgrantee in compliance (1 item).

C. Financial Management: Subgrantee in compliance (8 items); Subgrantee not in compliance (5 items); Not applicable for Subgrantee (1 item).

1. **Accounting System:** Subgrantee in compliance (5 items); Subgrantee not in compliance (3 items).

a. Financial Reporting: Subgrantee not in compliance (1 item).

Requirement: Title 28 of the Code of Federal Regulations §66.20 (b)(6) DOJ Financial Guide Part III, Chpt. 12 pg.102 states, accounting records must be supported by source documentation such as general ledgers, supporting accounting transactions, subsidiary ledgers, cancelled checks, paid bills, payrolls, time and attendance records, contracts and subgrantee award documents, etc. The records must be maintained that accurately identify the source and application of funds provided. These records must contain information pertaining to outlays and/or expenditures.

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- a. **Finding #2:** At the time of the monitoring review the subgrantee was unable to provide a general ledger for each grant year monitored that accurately reflected the cost expenditures separated by activity or by reimbursement period. Due to the lack of a general ledger, the monitor was unable to validate that the subgrantee's record system suffices to the level of detail required for costs charged to the grants.

Action Required: The subgrantee must provide examples and certify that an internal control system is in place and that it contains the necessary information pertaining to OHS expenditures. The system instituted needs to ensure that all original and/or subsidiary documentation have safeguards in place that will adequately account for costs charged to OHS grants.

- b. **Source Documentation:** Subgrantee not in compliance (1 item).

Requirement: 28 CFR §66.20 (b)(6) and Financial Guide Part III, Ch.12, pg.102 states, "accounting records must be supported by such source documentation as general ledgers, supporting accounting transactions, subsidiary ledgers, cancelled checks, paid bills, payrolls, time and attendance records, contracts and subgrantee award documents, etc."

Finding #3: Due to the subgrantee's current financial management record system, the monitor was unable to verify grant-related costs on a ledger format. At the time of the review, the subgrantee was unable to provide ledgers of any kind.

1. b. **Action Required:** The subgrantee is required to account for all OHS costs charged and reimbursed. The subgrantee needs to provide OHS a detailed general ledger that reconciles all grant expenditures for each of the identified grant years: FY02-0088, FY02-0133, FY03-0167, FY03-0035 and FY04-0045.

Additionally, the subgrantee must submit a corrective action plan that will adequately ensure that expenditures charged to OHS grants have a financial management record system that provides the level of detail required for costs charged to the grants.

- c. **Double Billing:** Subgrantee in compliance (1 item).

Requirement: Pursuant to 28 CFR §66.20 (a)(2), accounting records must permit the tracing of funds to a level of expenditures, adequately establishing that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes. Subgrantees must ensure costs charged to OHS were not also billed and/or reimbursed by other funding sources or submitted to OHS on repetitive occasions.

County of Trinity Sheriff's Office Monitoring Report

Note: Although the monitor did not find any doubling billing, the monitor would like to suggest adequate safeguards be put in place to ensure that cost charged to OHS grants are not also billed and/or reimbursed by other funding sources. There needs to be a system that contains a clear audit trail and has the necessary information pertaining to all grant expenditures. The monitor recommends that the subgrantee stamp or write on each document that is received for payment (invoices), the accounting information that permits the tracking of funds to a level of expenditures adequately to identify the grant #, payment source, date paid, and project.

- d. Supplanting: Subgrantee in compliance (1 item).
- e. Accounting Basis: Subgrantee in compliance (1 item).
- f. Commingling of Funds: Subgrantee in compliance (1 item).
- g. General Ledger Accounting Structure: Subgrantee not in compliance (1 item).

Requirements: 28 CFR §66.20(b)(1)(2); 28 CFR §70.21(b)(2) states, in part, that expenditures of grant funds must have a financial management system that ensures financial records will be adequately identified and there is a complete disclosure of each specific category or line items to the source and application of funds provided for the OHS grant-related activities.

- C. 1. g. **Finding #4:** At the time of the monitoring review the subgrantee was unable to provide a general ledger for each grant year monitored that accurately reflected the cost expenditures separated by activity, reimbursement period, projects, fund source and solution area activities.

Action Required: As part of the corrective action plan, the subgrantee will need to provide a copy of a detailed general ledger system that will allow the monitor to reconcile the elements required for the OHS grants. This ledger should contain the grant title, grant year, and the 5 budget categories (M&A, Equipment, Exercises, Training, and Planning). Commencing with the FY04-045 grant, the ledger should also include the fund source and project designations, in addition to the other elements. The subgrantee must also state in the Corrective Action Plan that an accounting structure will be maintained to accurately and sufficiently account for all expenditures.

- h. Costs Directly Related: Subgrantee in compliance (1 item).
- 2. **Distribution of Funds:** Subgrantee in compliance (1 item).

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3. **Advance of Funds:** Subgrantee not in compliance (2 items).

a. Maintenance of supporting documentation: Subgrantee not in compliance. (1 item).

Requirements: 28 CFR §66.21(2)(i); FG-Part III, Ch. 1 and FY01 Grant Guide Pg. 15 states that accounting records must be maintained and any interest earned, in excess of \$100 per federal fiscal year, must be remitted quarterly to:

United States Department of Health & Human Services
Division of Payment Management Services
P.O. Box 6021
Rockville, MD 20852

Finding 5: In the review of FY02-088, the subgrantee had records indicating that the \$82,836 awarded from OHS was deposited into an interest bearing account and earned interest however a check was not sent to Department of Health and Human Services.

Action Required: The subgrantee needs to provide proof of a check sent in the amount of \$413.95 for the FY02-088 grant funds interest earned to the United States Department of Health and Human Services.

b. Reported to OHS: Subgrantee not in compliance (1 item).

C. 3. b. **Requirements:** 28 CFR §66.21(2)(i), Financial Guide, Part III, ch. 1, pg.37, and FY01 Grant Guidance pg. 15, states that the subgrantee must provide a copy of the transmittal letter and a copy of the cancelled check to:

Governor's Office of Homeland Security
Attention: Grants
State Capital
Sacramento, CA 95814

Finding #6: Under the FY02-088 grant, the monitor found no evidence to support that the interest earned in the amount of \$413.95 was reported to OHS.

Action Required: The subgrantee needs to report the interest earned to OHS and a copy of the cancelled check sent to DHHS must be sent to OHS.

4. **Change Request/Modifications:** Subgrantee in compliance (2 items).

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5. **Records Maintenance:** Not applicable for Subgrantee (1 item).

D. **Fiscal: Personnel Services:** Not applicable for Subgrantee (6 items).

E. **Fiscal: Procurement:** Subgrantee in compliance (1 items); Subgrantee not in compliance (3 items); Not applicable for Subgrantee (1 item).

1. **Responsibility:** Subgrantee not in compliance (1 item).

Requirements: Title 28 CFR §67.140; §67.300(a); and DOJ Financial Guide Part I, ch. 1, pgs 16 & 17, states, certification must be completed prior to recommendation for or against an award and provides guidance on the requirements that recipients must meet in order to receive federal funds, under Executive Order #12549. This Executive Order also requires subgrantees to use the Excluded Parties List System (EPLS), maintained by the General Services Administration (GSA) to verify that potential vendors are not on the "debarment or suspended" lists. Potential awardees on this list cannot receive federal grant funds. The Davis, Bacon Act, National Environmental Policy Act and the California Environmental Quality Act must be included in the procurement manual.

Finding #7: The monitor noted that County of Trinity's Procurement Procedure policy does not require review of the federal "debarment or suspended" list prior to entering into an agreement involving federal funds. The monitor found no evidence that there were any contracts awarded to a debarred or suspended entity; however, the subgrantee failed to ensure vendor eligibility prior to awarding a contract. If Trinity County entered into an agreement with an awardee that was on the debarment or suspended lists, the subgrantee would possibly have to back out associated costs. Also, the Davis, Bacon Act, National Environmental Policy Act and the California Environmental Quality Act was not included in the procurement policy.

E. 1. **Action Required:** The subgrantee must self-certify that the debarment status of a potential federal grant awardee is verified prior to making an award. The Procurement Policy clause should cite the federal standard which includes the requirement for ensuring persons or entities that are on the debarred or suspended list at the federal level will not be awarded OHS grant funds. The Davis, Bacon Act, National Environmental Policy Act and the California Environmental Quality Act must be included in the procurement manual.

2. **Methods of Procurement:** Subgrantee in compliance (1 items); Subgrantee not in compliance (2 items); Not applicable for Subgrantee (1 items).

a. **Small Purchases:** Subgrantee in compliance (1 item).

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- b. Formal Advertisement Invitation for Bid (IFB): Subgrantee not in compliance (1 item).

Requirements: Pursuant to 28CFR66.36(d)(2)DOJFG, Part III, p.90-93; A102.36 (d)(2)2CFR215.43 (5)(e)(3)requires a process for purchases of \$100,000 or over in which Invitations for Bids are publicly solicited and a firm fixed-price contract is awarded to the lowest bidder.

Finding #8: The monitor noted that Trinity County's procurement policy did not include Formal Advertising/Sealed Bids, however, the monitor noted there were no purchases for this requirement.

Action Required: The subgrantee must insert an addendum to the county's procurement policy and procedures in regards to formal advertising and sealed bids and submit a copy in the correction action plan.

- c. Competitive Proposals: Not applicable for Subgrantee (1 item).
- d. Noncompetitive Proposals (Sole Source): Subgrantee not in compliance (1 item).

Requirements: 28 CFR 66.36(4) pg 189 states in part, that procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by non competitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- A. The item is available only from a single source.
- B. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- C. The awarding agency authorizes non competitive proposals.
- D. After solicitation of a number of sources, competition is determined inadequate.

Finding #9: Although the monitor did not find any Sole Sourcing during the interview, the procurement policy did not contain the necessary documentation to comply with the Sole Sourcing requirements.

Action Required: The Subgrantee must insert an addendum to the Procurement Policy to comply with Sole Sourcing requirements and ensure a system is in place to take the necessary steps if and when sole sourcing may be needed.

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F. Fiscal: Equipment & Property Management: Subgrantee in compliance (3 items); Not applicable for Subgrantee (1 item). Subgrantee not in compliance (1 item).

1. **Equipment Purchases:** Subgrantee in compliance (2 items); Not applicable for Subgrantee (1 item).

a. Allowable and Applicable Equipment: Subgrantee in compliance. (1 item).

b. Prior Approval and Acquisition: Subgrantee in compliance (1 item).

c. Proficiency Training: Not applicable for subgrantee (1 item).

2. **Property and Records keeping:** Subgrantee in compliance (1 item). Subgrantee not in compliance (1 item).

a. Inventory Control: Subgrantee not in compliance (1 item).

Requirement: Per 28 CFR 66.32(d) (1), states "...records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, the cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

Finding #10: The Subgrantee's equipment property log sheets did not include serial numbers, description of the property, acquisition date, location, use and condition of the equipment.

F. 2. a. **Action Required:** The Subgrantee must provide complete and comprehensive equipment property log sheets that includes the above content for each equipment item purchased with OHS funds. The log sheet must also state the year of the grant and the equipment for that particular year.

b. Property Management: Subgrantee in compliance (1 item).

G. Subgrantee Monitoring & Oversight: Not applicable for Subgrantee (5 items).